



Entered on Docket  
November 18, 2010

*Mike K. Nakagawa*  
Hon. Mike K. Nakagawa  
United States Bankruptcy Judge

Lenard E. Schwartzer  
Nevada Bar No. 0399  
Jeanette E. McPherson  
Nevada Bar No. 5423  
Jason A. Imes  
Nevada Bar No. 7030  
Schwartzer & McPherson Law Firm  
2850 South Jones Boulevard, Suite 1  
Las Vegas, Nevada 89146-5308  
Telephone: (702) 228-7590  
Facsimile: (702) 892-0122  
E-Mail: [bkfilings@s-mlaw.com](mailto:bkfilings@s-mlaw.com)  
Attorneys for Debtor and Debtor in Possession

**UNITED STATES BANKRUPTCY COURT**  
**DISTRICT OF NEVADA**

In re:

CAREFREE WILLOWS, LLC,  
  
Debtor.

Case No. BK-S-10-29932-mkn  
Chapter 11

**STIPULATED FINAL ORDER**  
**AUTHORIZING THE USE OF CASH**  
**COLLATERAL**

Date: November 16, 2010  
Time: 1:30 p.m.

The Emergency Motion for an Order Authorizing the Use of Cash Collateral on an Interim and Continuing Basis [Docket #4] (the "Motion") having come before this Court pursuant to a Stipulated Interim Order Authorizing the Use of Cash Collateral [Docket #34] (the "Interim Order"), the Interim Order having been served as shown by the Certificate of Service [Docket #38], Lenard E. Schwartzer of the Schwartzer & McPherson Law Firm appearing for Carefree Willows, LLC, Debtor and Debtor in Possession (the "Debtor"), Robert R. Kinas of Snell & Wilmer appearing for AG/ICC Willows Loan Owner, L.L.C., the successor to Union Bank of

**SCHWARTZER & MCPHERSON LAW FIRM**

2850 South Jones Boulevard, Suite 1  
Las Vegas, Nevada 89146-5308  
Tel: (702) 228-7590 • Fax: (702) 892-0122

1 California, N.A. (the "Lender"), the Court having reviewed the Motion, been advised of the  
2 agreement of the Debtor and the Lender and finding good cause, it is

3 **ORDERED** that the Debtor is authorized to use the revenue generated by its senior  
4 housing complex (the "Senior Complex"), including but not limited to rents, to maintain the  
5 Senior Complex, for payment of maintenance expenses, management and employees, real estate  
6 taxes, insurance premiums, and utilities incurred by the Senior Complex, and for no other  
7 purposes as stated in the budget provided to the Court; and it is further

8 **ORDERED** that the budget shall be adjusted to include a \$1,772 per month adequate  
9 protection payment to 1<sup>st</sup> Service Bank on account of its security interest in the shuttle bus used by  
10 the Debtor (the "Amended Budget"), a copy of which is attached to this Order as **Exhibit "1"**; and  
11 it is further

12 **ORDERED** that the Debtor is authorized to expend up to 5% more than is shown on the  
13 Amended Budget for expenses similar to those stated in the Amended Budget in any month  
14 without further Court order and the Debtor is prohibited from spending more than 5% than the  
15 amount of the Amended Budget without the consent of the Lender or an order of this Court; and it  
16 is further

17 **ORDERED** that the Bank has lien on the cash in the Debtor's bank accounts on the date of  
18 the petition and shall have a replacement lien with the same priority and to the same extent as its  
19 prepetition lien which includes but is not limited to all revenue and accounts receivable generated  
20 by the Senior Complex post-petition; and it is further

21 **ORDERED** that the cash in the Debtor's bank accounts on the date of the petition shall be  
22 held in one DIP account and not used by the Debtor and the post-petition income generated by the  
23 Senior Complex shall be deposited in another DIP Account to be used pursuant to the terms of this  
24 Order; and it is further

25 **ORDERED** the Debtor shall make an adequate protection payment of \$75,000 to the  
26 Lender by the 10<sup>th</sup> business day of each month beginning with December, 2010; and it is further

27 ///


28 ///



1 **ORDERED** that this Order shall remain in effect until February 1, 2011 and may be  
2 extended by stipulation between the Debtor and the Lender or by order of this Court.

3 Submitted by:

4  
5 /s/ Lenard E. Schwartz  
6 Lenard E. Schwartz, Esq.  
7 Schwartz & McPherson Law Firm  
8 2850 South Jones Blvd., Suite 1  
9 Las Vegas, NV 89146  
10 *Attorneys for Debtor and Debtor in Possession*

11 Approved by   
12 Robert R. Kinas, Esq.  
13 Snell & Wilmer  
14 3883 Howard Hughes Parkway  
15 Suite 1100  
16 Las Vegas, NV 89169  
17 *Attorneys for AG/ICC Willows Loan Owner, L.L.C.*

18 In accordance with LR 9021, counsel submitting this document certifies that the order accurately  
19 reflects the court's ruling and that:

20 The court has waived the requirement set forth in LR 9021 (b)(1).  
21 No party appeared at the hearing or filed an objection to the motion.  
22 ☒ I have delivered a copy of this proposed order to all counsel who appeared at the hearing,  
23 and any unrepresented parties who appeared at the hearing, and each has approved or  
24 disapproved the order, or failed to respond, as indicated above.  
25 I certify that this is a case under Chapter 7 or 13, that I have served a copy of this order  
26 with the motion pursuant to LR 9014(g), and that no party has objected to the form or  
27 content of the order.

28 ###

SCHWARTZ & MCPHERSON LAW FIRM  
2850 South Jones Boulevard, Suite 1  
Las Vegas, Nevada 89146-5308  
Tel: (702) 228-7590 • Fax: (702) 892-0122

# **EXHIBIT “1”**

**Carefree Willows LLC Projected Operating Budget and Cash Flow**

	November-10 Budget	December-10 Budget	January-11 Budget	February-11 Budget	March-11 Budget	April-11 Budget	Total Budget
<b>Property Income</b>							
4011 Rental Income	\$287,000	\$289,870	\$292,769	\$295,696	\$298,653	\$301,640	\$1,765,628
4020 Rent Concessions	(\$59,000)	(\$58,410)	(\$57,826)	(\$57,248)	(\$56,675)	(\$56,108)	(\$345,267)
4021 Guest Suite Income	\$6,200	\$6,200	\$6,200	\$6,200	\$5,600	\$4,000	\$34,400
4025 Beauty Shop Income	\$200	\$200	\$200	\$200	\$200	\$200	\$1,200
4360 Garage Rent	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100	\$12,600
4365 Appliance Rent/Sale	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$13,800
4370 Pet Rent	\$650	\$650	\$650	\$650	\$650	\$650	\$3,900
4501 Application Fee	\$300	\$300	\$300	\$300	\$300	\$300	\$1,800
4502 Smokers Fee Charge	\$350	\$350	\$350	\$350	\$350	\$350	\$2,100
4503 Pet Fee Non Refundable	\$750	\$750	\$750	\$750	\$750	\$750	\$4,500
4504 Forfeited Security Deposits	\$600	\$600	\$600	\$600	\$600	\$600	\$3,600
4506 Material Recovery	\$600	\$600	\$600	\$600	\$600	\$600	\$3,600
4510 Community Fee	\$500	\$500	\$500	\$500	\$500	\$500	\$3,000
4511 Termination Fee	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$12,000
4520 Vending/Laundry Income	\$120	\$120	\$120	\$120	\$120	\$120	\$720
4522 Parking Income	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$6,000
4540 Late Fee	\$500	\$500	\$500	\$500	\$500	\$500	\$3,000
4541 NSF Charges	\$50	\$50	\$50	\$50	\$50	\$50	\$300
<b>Total Property Income</b>	<b>\$246,220</b>	<b>\$249,680</b>	<b>\$253,163</b>	<b>\$256,669</b>	<b>\$259,598</b>	<b>\$261,551</b>	<b>\$1,526,881</b>
<b>Property Operating Expenses</b>							
6210 Newspaper	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$16,200
6221 Magazine Advertising	\$950	\$950	\$950	\$950	\$950	\$950	\$5,700
6222 Internet Advertising	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$10,800
6223 Yellow Pages	\$150	\$150	\$150	\$150	\$150	\$150	\$900
6224 TV Advertising	\$4,300	\$4,300	\$4,300	\$4,300	\$4,300	\$4,300	\$25,800
6230 Other Advertising	\$18	\$18	\$18	\$18	\$18	\$18	\$108
6231 Direct Mail Advertising	\$75	\$75	\$75	\$75	\$75	\$75	\$450
6235 Flags Banners Signs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6236 Referral Fees	\$300	\$300	\$300	\$300	\$300	\$300	\$1,800
6237 Resident Retentions	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$6,000
6243 Brochures	\$200	\$200	\$200	\$200	\$200	\$200	\$1,200
6305 Electric	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$30,000
6306 Gas	\$800	\$800	\$800	\$800	\$800	\$800	\$4,800
6307 Water	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$14,400
6308 Sewer	\$3,538	\$3,538	\$3,538	\$3,538	\$3,538	\$3,538	\$21,228
6309 Garbage	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$13,800
6310 Cable TV	\$34	\$34	\$34	\$34	\$34	\$34	\$204
6401 Activities Expense	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$16,800
6402 Shuttle Expenses	\$1,360	\$1,360	\$1,360	\$1,360	\$1,360	\$1,360	\$8,160
6403 Other Activity Expenses	\$900	\$900	\$900	\$900	\$900	\$900	\$5,400
6405 Activities Recovery	(\$400)	(\$400)	(\$400)	(\$400)	(\$400)	(\$400)	(\$2,400)
6406 Lunch Program	\$100	\$100	\$100	\$100	\$100	\$100	\$600
6510 Landscaping	\$4,050	\$2,550	\$2,550	\$2,550	\$2,550	\$4,050	\$18,300
6511 Pool/Fountain	\$700	\$700	\$700	\$700	\$700	\$700	\$4,200
6512 HVAC	\$400	\$400	\$400	\$400	\$400	\$400	\$2,400
6513 Appliance Repairs	\$150	\$150	\$150	\$150	\$150	\$150	\$900
6514 Electrical	\$300	\$300	\$300	\$300	\$300	\$300	\$1,800
6515 Plumbing	\$200	\$200	\$200	\$200	\$200	\$200	\$1,200
6516 Parking/Sidewalk Maintenance	\$100	\$100	\$100	\$100	\$100	\$100	\$600
6518 Gates/Fencing/Walls	\$100	\$100	\$100	\$100	\$100	\$100	\$600
6519 Lighting	\$300	\$300	\$300	\$300	\$300	\$300	\$1,800
6520 Elevators	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$18,000
6521 Fire Safety System	\$700	\$700	\$700	\$700	\$700	\$700	\$4,200
6522 Keys/Locks	\$100	\$100	\$100	\$100	\$100	\$100	\$600
6523 Painting	\$100	\$100	\$100	\$100	\$100	\$100	\$600
6524 Windows	\$50	\$50	\$50	\$50	\$50	\$50	\$300
6525 Carpet Cleaning/Repairs	\$100	\$100	\$100	\$100	\$100	\$100	\$600
6529 General Repairs & Maintenance	\$150	\$150	\$150	\$150	\$150	\$150	\$900
6530 Pest Control	\$500	\$500	\$500	\$500	\$500	\$500	\$3,000
6533 Janitorial Supplies	\$400	\$400	\$400	\$400	\$400	\$400	\$2,400
6537 Alarm	\$150	\$150	\$150	\$150	\$150	\$150	\$900
6538 Unit Upgrades	\$150	\$150	\$150	\$150	\$150	\$150	\$900
6541 Aquarium Maintenance	\$600	\$600	\$600	\$600	\$600	\$600	\$3,600

**Carefree Willows LLC Projected Operating Budget and Cash Flow**

	November-10 Budget	December-10 Budget	January-11 Budget	February-11 Budget	March-11 Budget	April-11 Budget	Total Budget
6715 Electricity Vacancies	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$8,400
6720 Painting/Drywall	\$100	\$100	\$100	\$100	\$100	\$100	\$600
6730 Carpet Cleaning	\$500	\$500	\$500	\$500	\$500	\$500	\$3,000
6731 Flooring Replacements	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6750 Other Vacancy Expenses	\$150	\$150	\$150	\$150	\$150	\$150	\$900
6810 Guest Suite Expenses	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$6,600
6910 Maintenance Wages	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$9,750	\$42,250
6915 Office Wages	\$10,100	\$10,100	\$10,100	\$10,100	\$10,100	\$15,150	\$65,650
6916 Activities Wages	\$5,100	\$5,100	\$5,100	\$5,100	\$5,100	\$7,650	\$33,150
6919 Commissions	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$18,000
6951 Payroll Taxes	\$2,717	\$2,717	\$2,717	\$2,717	\$2,717	\$3,911	\$17,496
6952 Workers Comp Insurance	\$375	\$375	\$375	\$375	\$375	\$375	\$2,250
6961 Group Insurance	\$600	\$600	\$600	\$600	\$600	\$600	\$3,600
6962 Rent Concessions	\$1,138	\$1,138	\$1,138	\$1,138	\$1,138	\$1,138	\$6,828
6963 Employee Incentives	\$100	\$100	\$100	\$100	\$100	\$100	\$600
6964 Educations/Seminars	\$120	\$120	\$120	\$120	\$120	\$120	\$720
6965 401K/Profit Sharing	\$30	\$30	\$30	\$30	\$30	\$30	\$180
6981 Uniforms	\$165	\$165	\$165	\$165	\$165	\$165	\$990
6982 Payroll Processing	\$135	\$135	\$135	\$135	\$135	\$135	\$810
6983 Temporary Labor	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$16,800
6984 Auto Allowance	\$250	\$250	\$250	\$250	\$250	\$250	\$1,500
6987 Drug Test/Credit Check	\$80	\$80	\$80	\$80	\$80	\$80	\$480
7005 Office Supplies	\$350	\$350	\$350	\$350	\$350	\$350	\$2,100
7006 Postage/Freight	\$150	\$150	\$150	\$150	\$150	\$150	\$900
7008 Furniture/Equipment Expense	\$250	\$250	\$250	\$250	\$250	\$250	\$1,500
7009 Computer Support	\$380	\$380	\$380	\$380	\$380	\$380	\$2,280
7010 Accounting/Legal/Professional	\$40	\$40	\$40	\$40	\$40	\$40	\$240
7014 Dues & Subscriptions	\$10	\$10	\$10	\$10	\$10	\$10	\$60
7022 Forms & Printing	\$50	\$50	\$50	\$50	\$50	\$50	\$300
7023 Answering Service	\$100	\$100	\$100	\$100	\$100	\$100	\$600
7024 Telephones & Pagers	\$870	\$870	\$870	\$870	\$870	\$870	\$5,220
7025 Bank Charges	\$140	\$140	\$140	\$140	\$140	\$140	\$840
7030 Other G & A Expenses	\$80	\$80	\$80	\$80	\$80	\$80	\$480
7037 Management Fees @4%	\$9,849	\$9,987	\$10,127	\$10,267	\$10,384	\$10,462	\$61,075
7038 Activity Fees @2%	\$4,924	\$4,994	\$5,063	\$5,133	\$5,192	\$5,231	\$30,538
7051 Property Taxes	\$16,408	\$16,408	\$16,408	\$16,408	\$16,408	\$16,408	\$98,448
7052 Insurance	\$6,728	\$6,728	\$6,728	\$6,728	\$6,728	\$6,728	\$40,368
7057 Association Dues	\$3,161	\$3,161	\$3,161	\$3,161	\$3,161	\$3,161	\$18,966
9130 Non Oper'l Acct/Legal/Prof Fee	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$12,000
9200 Depreciation Expense	\$137,091	\$137,091	\$137,091	\$137,091	\$137,091	\$137,091	\$822,546
<b>Total Property Expenses</b>	<b>\$261,666</b>	<b>\$260,374</b>	<b>\$260,583</b>	<b>\$260,793</b>	<b>\$260,969</b>	<b>\$274,630</b>	<b>\$1,579,014</b>
<b>Net Operating Income</b>	<b>(\$15,446)</b>	<b>(\$10,694)</b>	<b>(\$7,420)</b>	<b>(\$4,124)</b>	<b>(\$1,371)</b>	<b>(\$13,078)</b>	<b>(\$52,133)</b>
<b>Cash Flow Analysis</b>							
<b>Net Operating Income</b>	<b>(\$15,446)</b>	<b>(\$10,694)</b>	<b>(\$7,420)</b>	<b>(\$4,124)</b>	<b>(\$1,371)</b>	<b>(\$13,078)</b>	<b>(\$52,133)</b>
<b>Adjustments:</b>							
Property Tax Amortization	\$16,408	\$16,408	\$16,408	\$16,408	\$16,408	\$16,408	\$98,448
Property Tax Payments			(\$49,224)		(\$49,224)		(\$98,448)
Insurance Amortization	\$6,728	\$6,728	\$6,728	\$6,728	\$6,728	\$6,728	\$40,368
Insurance Payments			(\$10,574)	(\$8,074)	(\$8,074)	(\$8,074)	(\$34,794)
Shuttle Bus Loan-Adequate Protection	(\$1,772)	(\$1,772)	(\$1,772)	(\$1,772)	(\$1,772)	(\$1,772)	(\$10,632)
Union Bank-Adequate Protection	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$450,000)
Depreciation Expense	\$137,091	\$137,091	\$137,091	\$137,091	\$137,091	\$137,091	\$822,546
Capital Expenses (1)	(\$1,000)						(\$1,000)
<b>Net Cash Flow</b>	<b>\$67,009</b>	<b>\$72,761</b>	<b>\$16,237</b>	<b>\$71,257</b>	<b>\$24,787</b>	<b>\$62,303</b>	<b>\$314,354</b>

(1) Bus Repair 11/10